

Joint Leadership Council of Veterans Service Organizations
Meeting Minutes
December 20, 2017

A meeting of the Joint Leadership Council of Veterans Service Organizations (the JLC) was held on December 20, 2017, at the American Legion, 1708 Commonwealth Ave., Richmond.

Members Present

- Harold Barton, Air Force Association
- Rick Oertel, American Legion
- Robert Sempek, Association of the United States Army
- William Ashton, Fleet Reserve Association
- Lauren Augustine, Iraq & Afghanistan Veterans of America (IAVA)
- Tim Whitmore, Korean War Veterans Association
- Robert Herbert, Legion of Valor
- Frank Wickersham, Military Officers Association of America (MOAA)
- Dan Dennison, National Association for Uniformed Services
- Karen Jeffries, Navy Mutual Aid Association
- Glenn Rodriguez, Navy Seabee Veterans of America
- Jon Ostrowski, Non Commissioned Officers Association
- Raymond Kenney, Paralyzed Veterans of America
- David Sitler, Reserve Officers Association
- Perry Taylor, Roanoke Valley Veterans Council
- Dan Boyer, Veterans of Foreign Wars
- Charles Montgomery, Vietnam Veterans of America
- Marie Juliano, Women Marines Association
- Adam Provost, Virginia National Guard Association
- Jim Icenhour, Chairman, Board of Veterans Services
- Richard Schollmann, Chairman, Veterans Services Foundation
- Commissioner John L. Newby II, Department of Veterans Services (DVS)

Alternate Members Present (representing their VSO)

- John Cooper, AMVETS
- Dan Miller, Disabled American Veterans
- Thad Jones, Fifth Baptist Veterans Ministry
- Mark Atchison, Military Order of the Purple Heart

Members Absent

- Richard Mansfield, AMVETS
- Ken Shelton, Fifth Baptist Veterans' Ministry
- John Clickener, Marine Corps League
- Jim Cuthbertson, Military Order of the Purple Heart
- Bob Huffman, Virginia Army/Air National Guard Enlisted Association

Alternate Members Present (not representing their VSO)

- Thomas Wozniak, Air Force Association
- Chip Moran, National Association for Uniformed Services
- Craig Cressman, Navy Mutual Aid Association
- Mike Anliker, Virginia National Guard Association

Commonwealth of Virginia Officials Present

- General Tim Williams, TAG, Virginia Dept. of Military Affairs (National Guard)
- General Walter Mercer, Virginia Dept. of Military Affairs (National Guard)
- Delegate Rich Anderson
- Josh Crandell, LA to Del.-Elect Jennifer Carroll Foy
- Steven Combs, DVS
- Carrie Ann Alford, DVS
- Glendalynn Glover, DVS
- Jgiann Page, DVS
- Karla Boughey, Veterans Services Foundation
- Christina Barrille, Virginia Dept. of Military Affairs (National Guard)
- Cpt. Strait, Virginia Dept. of Military Affairs (National Guard)
- Mike Hayden, Virginia Department of Corrections
- Charles Reynolds, Virginia Department of Corrections
- Matt Leary, Virginia Dept. of Motor Vehicles
- Anna Mackley, VSBFA

Others Present

- Col. Michael Dick, BVS
- Matt Underwood, US Dept. of Agriculture
- Maggie Wickersham, MOAA
- Brandon Hughes, MOAA/IAVA
- Jim Pauls, MOAA
- Trish Capps, MOAA
- John Down, MOAA
- Samuel Holliday, College of William & Mary
- Erica Eccleston, American Legion
- Linda Hardwick, American Legion
- Teresa Rijkten, American Legion
- Beila Gray, American Legion

Items included in the Agenda Packet

Agenda

September 6, 2017 meeting minutes (Agenda Item IV)

Reports (Agenda Item V)

- Board of Veterans Services
- Veterans Services Foundation
- Overview of Governor McAuliffe's introduced budget for the Office of the Secretary of Veterans

- & Defense Affairs (Agenda Item VI)
- Proposed Position Papers 2018-03 and 2018-08 (Agenda Item VIIa)
- 2018 Meeting Schedule (Agenda Item VIIb)
- 2018 Work Plan (Agenda Item VIIb)
- 2018-19 Appointed Officers list (Agenda Item VIIb)
- Handout for the JLC at the General Assembly in 2018 (Agenda Item VIIc)
- The meeting agenda is included as *Attachment 1*.

Opening, Pledge of Allegiance, Invocation

Chairman Marie Juliano, called the meeting to order at 10:00 a.m., and led the Council in the Pledge of Allegiance.

Chaplain L. T. “Tim” Whitmore delivered an opening prayer.

Roll Call of VSOs, Quorum Determination, and Introduction of New VSO, Guests

The roll was called, and 21 of the 26 Veterans Service Organizations (VSOs) represented on the Joint Leadership Council of Veterans Service Organizations (the JLC) were recorded as being represented. A quorum was determined. Mr. Jim Icenhour, Chairman of the Board of Veterans Services (BVS); Mr. Rich Schollmann, Chairman of the Veterans Services Foundation (VSF); and DVS Commissioner John L. Newby II were recorded as present. 2 members came in after the roll was called for a total of 23 of 26 VSOs represented at the meeting.

Chairman Juliano asked Ms. Alford to introduce the guests. The names and organizations of the guests are recorded above. Chairman Juliano welcomed them to the meeting.

Approval of the Agenda

Chairman Juliano opened the meeting by requesting the agenda be approved. Mr. Frank Wickersham made a **motion, seconded** by Ms. Karen Jeffries, to approve the agenda (*Attachment 1*). The motion carried **unanimously**.

Approve September 6, 2017 Meeting Minutes

Chairman Juliano asked if there were any changes to the minutes, hearing none, she requested a motion to approve the September 6 meeting minutes. Mr. Dave Sitler made a **motion, seconded** by Mr. Dan Boyer, to approve the minutes of the September 6, 2017 meeting. The motion carried **unanimously**.

Reports

Board of Veterans Services

Board of Veterans Services (BVS) Chairman Jim Icenhour gave the BVS report. (*Attachment 2*)

Veterans Services Foundation

Veterans Services Foundation (VSF) Chairman Rich Schollmann gave the VSF report. (*Attachment 3*)

Virginia Military Advisory Council

In Mr. Bill Barrett’s absence there was no report from the Virginia Military Advisory Council.

Virginia War Memorial Board

Marie Juliano stated that there was no new report from the Virginia War Memorial Board.

Virginia National Guard Report from General Williams

Due to technical difficulties, there was no powerpoint presentation – General Williams gave a short update and took questions from the JLC members.

General Williams began by stating this is the first Christmas in many years that every Virginia National Guardsman is home for the holidays. Units will start deploying again in January with the first unit going to Kosovo.

They are working on the “Guard 4.0” – a total of 9,000 soldiers and airmen. On July 1 the Air Guard was given notice to have air and ground crews ready for deployment on July 6th. Virginia was able to comply and by July 10th those units were flying combat missions. It is stressful on everyone to mobilize units so quickly, but with the continued cuts to the military, especially the army, the DOD continues to rely on Guard units. This fall the Army said that Guard units must be notice ready to deploy within 7-10 days. This will impact about 1,000 soldiers and their employers.

In the past year 1,500 guardsmen have been deployed on federal orders and 8,000 activated on state orders by the Governor. General Williams mentioned and welcomed home VNGA rep, Adam Provost, who recently returned from deployment and was back at his first JLC meeting.

Mr. Wickersham asked about equipment readiness. The General said they were OK in terms of equipment.

Mr. Whitmore asked what the most pressing need is and the General responded “time, followed by money.”

Mr. Boyer asked what the air guard consists of. General Williams answered that it is made up of several multi-faceted units of air, ground support and cyber units. They fly F-22s, Virginia is the first state to have guardsmen flying F-22s.

Mr. Provost asked the General to speak about effect on employers and Ms. Jeffries asked about discrimination against guardsmen with employment and employers finding ways to fire them. General Williams said at this point there is no problem with discrimination, but it is a tipping point, especially with the air guard. The training schedule is still based on the 1916 model when the guard was created to provide support during World War I, however most units are now by their 3rd and 4th year of duty are training 75-100 days per year.

Mr. Ashton asked about the physical and mental readiness of the guard. The General said they are doing better than any other component right now and have a good program to support the soldiers, but they are spread thin.

General Williams also mentioned that he recently briefed First Lady Dorothy McAuliffe and the incoming First Lady, Pam Northam. He said their objective is to utilize every dollar, moving in the right direction to provide support and address the needs of the families as well as the soldiers and airmen. They are looking for better partners with industries and the public to support the guard.

Mr. Moran gave his kudos to the General and the Guard for their great work with hurricane relief this year – especially their assisting in Puerto Rico.

Commissioner Newby asked about funding streams. General Williams replied that 95% of their funding is federal, the rest is from the state and that most state dollars are used to unlock federal dollars. For every \$1 of state funding he can access \$3 of federal funds. He also discussed their on-going plans to prepare land to move their helicopters from Richmond Int'l Airport when their \$1/year lease ends in 2030.

Report from DVS Commissioner John Newby

Commissioner Newby gave a brief update on DVS, including the groundbreaking ceremonies for the two new care centers, which took place on Oct. 26th at the site of the Puller VCC in Vint Hill, Fauquier County; and Nov. 1st at the site of the Jones & Cabacoy VCC in Virginia Beach. The ceremonies went well, were well-attended, and Mr. Newby thanked the JLC members who attended one or both ceremonies. He stated that the big focus will be on getting both care centers built and opened in early 2020. Both will be 128-bed facilities. Right now he is working with the Secretary on ensuring DVS has the money to hire staff – some will need to be on board before opening in early 2020.

MMAC is going well with 54 hires so far and looking to expand numbers.

V3 continues to be a success, with over 28,700 hires and we should be on track to meet the Governor's goal of 30,000 hires by the time he leaves office. Governor-elect Northam has already given us a goal for V3 to get to 60,000 hires by the time he leaves office in 4 years.

We have great partnerships with Navy Mutual Aid for our Benefits Service line and with the Virginia Arts Council and arts groups to work with veterans.

We are working to complete the 3 E's that the Governor and Secretary Harvey set forth – Education, Employment and Entrepreneurship. Working on moving forward with entrepreneurship and have money in the introduced budget for (1) full time employee (FTE) to focus on entrepreneurship.

New expansion on War Memorial is going well. It is slated to open in about a year, one and a half years. Adding parking, education space, and an identical Shrine of Memory to continue honoring Virginians who make the ultimate sacrifice as we continue to move forward.

Mr. Ashton asked about DOD mandated TAP and folks not getting a good brief and how does that work or fit in with VTAP?

Commissioner said that while VTAP can't be part of the official DOD briefing, they are on bases and at the training – just outside the training room with other organizations like the USO. DOD and DOL have reached out to DVS to get feedback on how to move forward and DVS is working on getting that to them. He stated that DVS is examining the Texas model and moving to a system like that where after the DOD TAP class there is state-focused day of what that state offers transitioning service members. He said several states are moving to that model.

Ms. Augustine added that she has been part of the reform of the TAP curriculum and it is being

overhauled and it will be at 5 test sites, one of which will be Marine Corps Base Quantico here in Virginia. She stated that soldiers have to be told what all states are doing or how to access that information, as she transitioned out of Fort Riley, Kansas and knew she was coming back to Virginia so an additional day focused on Kansas still would not have been helpful to her.

Mr. Cooper thanked Mr. Newby for coming down to the drug court graduation in Hampton and being supportive of the veteran treatment dockets.

Mr. Newby replied that the Supreme Court's new guidelines are going into place soon and he had a meeting last Monday where the committee was going through the applications for courts to start new dockets, including Prince William County and a few others.

Several members thanked Mr. Newby for the outstanding ceremonies to break ground for the new care centers.

Mr. Boyer asked if there was any plan to rename the Virginia Veterans Care Center and Mr. Newby responded that there has been some discussion about that.

Overview of Governor McAuliffe's 2018 Introduced Budget, DVS Budget and Legislation

Ms. Alford briefed the JLC members on the introduced budget, which was released on Monday, December 18th. The handouts are included as *Attachment 4*.

DVS is pleased with the introduced budget, receiving 6 new FTEs – including the two positions recommended by the Board of Veterans Services. One is for a Veteran Entrepreneurship Director and one is for a Women Veterans Program Manager. Benefits also receives 4 new FTEs for new offices in Virginia Beach (NAS Oceana) and Fairfax County (Fort Belvoir). DVS also received funding for the expansion of Amelia Cemetery, and the continued construction projects at the War Memorial and new Care Centers.

Legislatively, DVS will work on three technical, “housekeeping” bills during session, including one to make MMAC a permanent program. The full explanation of each is in *Attachment 4*.

Review of Tentative Position Papers: JLC2018-03; 2018-06*; 2018-08

Mr. David Sitler, Legislative Officer, reviewed the final initiatives proposed for 2018 but not voted on at the September 6 meeting. The position papers were included in the agenda packet for review and reference (*Attachment 5*).

Mr. Barton asked about legislation and budget amendments for each priority. Chairman Juliano asked Ms. Alford and she replied that the Council should review and vote on the two tentative proposals first and then she could do a comprehensive review of the final list. The chair concurred and Mr. Sitler continued.

Mr. Sitler stated that **2018-03** is the veteran entrepreneurship loan program brought before the JLC at the September meeting and the JLC voted to roll it in with a second veteran entrepreneurship program paper presented by DVS. Mr. Sitler stated that DVS had received the funding for their requested position in

the introduced budget so they respectfully pulled their paper and as the chair of the legislative committee, he had approved that decision. [At the September 6 meeting, Mr. Rich Mansfield made a motion to merge the two entrepreneurship initiatives into one. Mr. Jim Cuthbertson made a friendly amendment to modify the motion to have MOAA and DVS work on writing a new paper. Mr. Mansfield agreed to the friendly amendment and amended his **motion, seconded** by Mr. John Clickener, to direct MOAA and DVS to work on combining the two initiatives into one supporting veteran entrepreneurship and loan programs.]

Mr. Barton made a **motion, seconded** by Mr. Rick Oertel to accept the new paper for review and discussion. The motion passed **unanimously**.

Mr. Wickersham, as sponsor of the paper, **JLC 2018-03**, then reviewed the changes and introduced Ms. Anna Mackley with the Virginia Small Business Financing Authority. She said that she had been working with Frank and Ms. Alford, on the creation of and funding for a new direct microloan program – tentatively named the *Veteran Entrepreneur Microloan Program* – to be administered by the Virginia Small Business Financing Authority (VSBFA.) She gave the background on the organization, lending experience, microloan default rates, and our general scope of work:

- The Virginia Small Business Financing Authority (VSBFA) is a political subdivision of the Commonwealth and the Commonwealth's economic development financing entity. VSBFA's host agency is the VA Department of Small Business and Supplier Diversity, in the Commerce and Trade Secretariat.
- VSBFA was created in 1984 to support economic development efforts in the Commonwealth by assisting Virginia's small businesses with obtaining access to financing. VSBFA provides direct loan programs and credit enhancement programs, where a private-sector bank is the lender and VSBFA provides a guaranty or other credit enhancement to reduce the bank's risk in lending. VSBFA is also the Commonwealth's statewide conduit issuer of private activity bonds.
- When we were originally created in 1984, VSBFA offered only two programs. Currently, VSBFA offers ten financing programs and four bond programs.
- VSBFA's enabling legislation <https://law.lis.virginia.gov/vacode/2.2-2280/> is very broad and gives VSBFA the statutory ability to create, offer and administer our various financing and bond programs. Insofar as the new *Veteran Entrepreneur Microloan Program* is concerned, we do not anticipate the need for additional legislation - other than that associated with program funding – in order for VSBFA to administer the program.
- VSBFA receives no annual appropriation from the VA General Assembly for program funding or staff salaries, but our host agency does receive an annual appropriation for the Executive Director's position. Our staff's salaries are paid from fee income generated by our bond issuances.
- Over our thirty-three year history, the majority of VSBFA's program funding has been federal in nature or received via partnerships with other state agencies or entities that provided program funding designated for specific constituency groups.
 - Since 1994, we have operated a microloan program for Child Day Centers and Family Home Providers in partnership with the VA Department of Social Services. Our

Childcare Financing Program provides direct microloans of up to \$150,000 for eligible child day care centers and up to \$10,000 for eligible family home providers. With this program, VSBFA finances the purchase of assets related to the care of children (cribs, playground equipment, cubbies, etc.) which a private-sector commercial bank would be uninterested in financing because of the small loan amounts and the questionable collateral value of the assets being financed. Our inception-to-date default rate for this program is 1.6%, which is excellent (especially in comparison with average default rates in a private-sector bank environment.)

- Since 2012, VSBFA has also offered a small business microloan program – now known as the *SWaM Microloan Program* – which provides microloans of up to \$25,000 for small, women-owned or minority-owned Virginia businesses which have been in operation for a minimum of two years. Our inception-to-date default rate on this program is 1.5%, which is also excellent.
- VSBFA has also partnered previously with the VA Department of Environmental Quality on a loan program (no longer active) and with the VA Tobacco Region Revitalization Commission on a credit enhancement program (still actively supporting a portfolio of bank loans but no longer accepting new customers.)
- VSBFA’s full-time staff of seven includes three Regional Lending Managers – who, like myself – have extensive commercial lending experience, both in the private-sector and within the public-sector. The members of our loan accounting staff also have extensive prior experience in both private-sector and public-sector settings. We anticipate that the funding request for the *Veteran Entrepreneur Microloan Program* will include funding for an additional full-time lending position and this individual will be devoted to the marketing and credit underwriting associated with this specialized program.
- VSBFA has a Board of Directors with ten members who are appointed by the Governor on staggered four year terms. Our Board of Directors meets monthly.
- VSBFA has an outstanding track record of administering our various financing programs.

She will be working with Ms. Alford during session, briefing legislators and staff on any questions they may have on this or any of VSBFA’s programs.

Ms. Jeffries asked if they have data on how many veterans currently have microloans with VSBFA. Ms. Mackley stated that they only recently started tracking that data and it cannot be mandated for people to give that information, but it appears to be in line with the population data, or about 10% of loans are to veterans.

Mr. Barton asked if they were supporting \$1,000,000 for the fund in each year, stating that the Recommendation is confusing. Ms. Alford said yes and she would fix the paper before distribution.

Mr. Wickersham stated that the amount was raised significantly from the original proposal – which was \$50,000 to ensure the program does not run out of money. This was on the advice of VSBFA and DVS. Ms. Mackley added that DVS believes this will be a popular program and veterans will find the information and want to apply for the funds and there may be a need to request an increase in funds in the future but this should be a good start.

Mr. Barton asked about the future viability and if the JLC will need to request funds every budget cycle. Ms. Alford reminded the JLC that once a program is in place, if it is popular and well managed it is very difficult for the General Assembly to stop funding it. The JLC's support in the future will probably be to assist in raising the fund amount to keep up with demand, rather than keeping it alive.

Mr. Wickersham made a **motion, seconded** by Mr. Provost, to include the paper in the 2018 JLC priorities. The vote was called and the motion passed **unanimously**.

Mr. Sitler asked about 2018-06 and Chairman Juliano stated that since the sponsor VSO did not submit changes and were not present to discuss it should be left as approved at the September 6 meeting. Mr. Sitler agreed.

Mr. Sitler stated that **2018-08** is the tax exemption for military retiree pay brought before the JLC at the September meeting in the form of a white paper but not in JLC format. Ms. Alford worked with Mr. Ashton to polish up the policy initiative and put it in JLC format. It was before the JLC for review. [At the September 6 meeting, Mr. Ashton made a **motion, seconded** by Ms. Karen Jeffries, to have his policy paper be reconsidered. The motion carried **unanimously**. Mr. Ashton handed Chairman Juliano a copy of the initiative and Ms. Alford made copies for distribution. It was discussed as part of the adoption and prioritization of 2018 JLC initiatives section of the meeting (VIIIb.)]

Chairman Juliano made a **motion, seconded** by Mr. Wickersham to introduce and review the paper. The motion passed **unanimously**.

Mr. Ashton presented the paper and mentioned the two included articles with additional information. (*Attachment 5*) He said there are now 41 states that offer some form of tax relief and several who offer full tax exemption to military retiree pay. He stated that an employee of the City of Norfolk told him that retirees are moving to North Carolina for the tax exemption and commuting to Norfolk for work.

Mr. Oertel stated that with the legislature and the budget impact of \$145M per year there was going to be no traction on this bill and it would not be wise for the JLC to support it.

Mr. Provost asked about the presentation from Col. Colman at the September 6th meeting and if the data had been presented. Mr. Oertel and Mr. Ashton stated that yes, Col. Coleman had presented the consultant's findings and impact on Virginia's budget.

Ms. Alford reminded the JLC members that they had already voted to include JLC 2018-04 "Income Tax Subtraction for Certain Low-Income 100% Disabled Veterans" which Del. Miyares has been working on for a few years and the legislature is familiar with. She reminded them of Senator Puller's adage to get your foot in the door and go an inch at a time, by supporting the smaller exemption policy and mentioning the idea of a full exemption to legislators this year and see what they say and therefore giving themselves the option to put this other paper on the table in the future.

After some discussion of what a "yes" vote on a motion would be, Chairman Juliano requested a motion to accept the paper as part of the priorities for 2018 and requested vote by show of hands. Mr. Boyer

made a **motion, seconded** by Mr. Provost to accept the paper. The vote was called and by show of hands, the **motion failed 3-20**.

Mr. Provost made a request to revisit **2018-07**. Chairman Juliano made the motion, seconded by Mr. Boyer to revisit the motion. The motion passed **unanimously**.

Mr. Provost moved to table the position paper and revisit later in the spring or summer of 2018 since there were other educational priorities the guard is looking at and more research needs to be done. Mr. Montgomery made a **motion, seconded** by Mr. Boyer to table the paper for 2018. The motion passed **unanimously**.

Ms. Alford then went through the summary matrix and gave the most updated information she had on each position paper regarding potential patrons and which papers the sponsors would need to work with their patrons on drafting budget requests.

She stated that draft requests for legislation must be in to DLS by January 12 and the member must file the legislation by the 19th for the bill to advance in 2018, so there is still some time left to solidify patrons. Budget requests must be submitted by 5:00 p.m. on January 12th. Mr. Combs mentioned that if a budget request is submitted and then the Governor-Elect also includes that money in his amendments to the introduced budget, the legislative budget amendment can be pulled in committee. But, he said, it's always better to double up and not assume one or the other.

Approve 2018 Meeting Schedule, Work Plan & Appointed Officers

Chairman Juliano presented the proposed meeting dates and work plan for 2018 and made a **motion, seconded** by Mr. Wickersham, to approve meeting schedule and work plan.

Mr. Boyer asked about the dates and why they were being moved to Thursdays. Ms. Alford responded that it was a typo and the dates were Wednesdays, she would correct and resend out after the meeting.

Mr. Barton stated that on the work plan the election of the JLC Chair and Vice Chair is supposed to be in the 3rd Quarter meeting and needs to be moved up to the July 25th meeting and the nominations for Chair and Vice chair moved up to the May 2nd meeting. He made a friendly amendment, **seconded** by Ms. Jeffries, to move the nominations to May 2 and the election to July 25 meetings and accept the work plan as amended. The amendment was accepted by Chairman Juliano. Mr. Oertel made a **motion, seconded** by Mr. Sitler, to accept as amended. The motion passed **unanimously**.

The 2018 Meeting Dates are:

May 2, July 25, October 17, December 19

Ms. Alford sent out the amended meeting dates and work plan to the members after the meeting. They are included as *Attachment 6*.

Chairman Juliano introduced the list of appointed officers for 2018-2019. The second page of the list did not make it into the agenda packet, and Ms. Alford read off the appointed officers from the second page. Mr. Boyer made a **motion, seconded** by Mr. Montgomery, to accept the list of appointed officers. The motion passed **unanimously**.

Ms. Alford sent out the full list of appointed officers to the members after the meeting. They are included as *Attachment 7*.

Ms. Alford then reviewed the 2018 General Assembly Session for the JLC. There will be no JLC Conference this year due to space constraints in the new GAB. She reviewed the following:

In Lieu of the JLC Conference, JLC members will need to make **individual appointments** with senators and delegates during session. You are highly encouraged to come to a GA Military & Veterans Caucus meeting during January, and schedule appointments to meet with legislators and LAs that day.

The GAMVC Co-Chairs are offering the JLC to be co-hosts of **Military Appreciation Night** since there will be no JLC Conference day this year.

Please call or email Carrie Ann Alford if you would like assistance in setting up appointments with legislators. 804-225-4716 or carrieann.alford@dvs.virginia.gov

The New GAB (Pocahontas Bldg) is between Main St. and Bank St. and 9th and 10th Streets. You may access the building from Main St. or Bank St. Bank Street between 9th & 12th will be blocked off to traffic to create a pedestrian zone to get to the Visitor's/Bank St. Entrance of the Capitol Building.

For JLC sponsors & members coming for committee hearings: There will be committee rooms in the Capitol and the GAB – PLEASE READ EMAILS FROM CARRIE ANN CAREFULLY TO KNOW WHICH BUILDING TO GO TO!

As of the meeting time, the House of Delegates was split 50/50 (the news about the additional ballot in the 94th district would not come out for another hour). Ms. Alford reviewed House protocols and how power sharing agreements were likely to work and reminded the members that there were still two other recounts, including the 28th district, which was also before a Judge and may go into a special election. The JLC members were agreeable to the idea of co-hosting Military Appreciation night and Ms. Alford stated she would work with Ms. Cassy Horn in Senator Reeves' office to work out the date and other details and let the JLC know as soon as possible.

Other New Business and Open Discussion

Chairman Juliano mentioned a bill in draft form to create a new license plate that states "I Support Women Veterans" and will provide revenue for DVS. Senator Wexton and Del-Elect Carroll Foy are the patrons. She introduced Mr. Matt Leary with DMV who said the DMV will create a specific application for this plate that the JLC can distribute. They need 450 pre-applications filled out and returned to them before the enactment date in order for the plate to become a reality.

Ms. Alford said that she had spoken with Abby Carter, Senator Wexton's LA the night before and they will work together and with Josh Crandell, who was in attendance, to assist the JLC in promoting the bill but since the DVS would benefit from the plate with revenue, DVS needs to remain in the background and the JLC needs to take the lead in collecting applications and checks. One point person will be named, Ms. Alford had spoken with Ms. Jeffries about collecting the applications and checks, and the JLC will be told who to make out checks to and send the applications to. Since the legend is more open

by showing “support” this will be a great thing to promote to grandparents, parents, siblings, spouses, etc., and not just women veterans.

The draft language was distributed to the members and is included as *Attachment 8*.

Mr. Cooper asked everyone to support HR4345 Veteran Treatment Court Coordination Act of 2017 which is currently in committee in the House of Representatives and would provide grants and technical assistance to the State circuit court systems that have adopted a Veterans Treatment Court Program; or have filed a notice of intent to establish a Veterans Treatment Court Program with the Secretary. He said DAV and AMVETS is working on the issue on the Hill and requested other VSOs support the issue and work to get the Virginia congressional delegation to sign on as co-sponsors.

Mr. Montgomery asked Ms. Alford if page numbers could be added to the pages in the agenda packet to make it easier to follow along. She said she could hand-write them in the bottom corner of the original copy. He thought that was a good solution.

Ms. Alford pointed out it was Delegate Anderson’s last meeting with the JLC as a delegate and thanked him for his years of service. The JLC gave him a round of applause.

Public Comment

None.

Closing Remarks

Chairman Juliano thanked everyone for attending and getting her through her first meeting as Chair.

Adjournment

There being no further business before the Council, the meeting adjourned at 1:20 p.m.

ATTACHMENT 1
Joint Leadership Council of Veterans Service Organizations
American Legion Building
1708 Commonwealth Avenue, Richmond
December 20, 2017
10:00 a.m. – 12:15 p.m.

REVISED AGENDA

- I. Opening & Pledge of Allegiance – *Marie Juliano, JLC Chairman* (10:00 – 10:05)
- II. Opening Prayer, *Tim Whitmore, JLC Chaplain* (10:05 – 10:10)
- III. Roll call of VSOs, quorum determination, approval of agenda, and introduction of guests – *Marie Juliano, JLC Chairman* (10:10 – 10:15)
- IV. Approve September 6 meeting minutes – *Marie Juliano, JLC Chairman* (10:15 – 10:20)
- V. Reports (10:20 – 10:50)
 - a. Board of Veterans Services (BVS) – *Jim Icenhour, BVS Chairman*
 - b. Veterans Services Foundation (VSF) – *Rich Schollmann, VSF Chairman*
 - c. Virginia Military Advisory Council (VMAC), *Bill Barrett*
 - d. Virginia War Memorial Board, *Marie Juliano*
 - e. Virginia National Guard, *General Timothy Williams* (10 minutes)
 - f. DVS Update, *John Newby, DVS Commissioner* (10 minutes)
- VI. Overview of Governor McAuliffe's 2018 introduced budget, DVS budget and legislation – *Carrie Ann Alford, Policy Director* (10:50 – 11:05)

BREAK (11:05 – 11:15)

- VII. New Business (11:15 – 12:00)
 - a. Review of Tentative Position Papers: JLC 2018-03; 2018-06*; 2018-08 – *David Sitler, JLC Legislative Officer* (15 minutes)
 - b. Approve 2018 Meeting Schedule, Work Plan & Appointed Officers (5 minutes) – *Marie Juliano, JLC Chairman*
 - c. JLC at the General Assembly 2018 – *Carrie Ann Alford, Policy Director* (10 minutes)
 - d. Other New Business and Open Discussion – *Marie Juliano, JLC Chairman* (10 minutes)
- VIII. Public comment period – *Marie Juliano, JLC Chairman* (12:00 – 12:10)
- IX. Closing remarks – *Marie Juliano, JLC Chairman* (12:10 – 12:15)
- X. Adjourn (12:15)

Lunch to follow

ATTACHMENT 2
REPORT TO THE JOINT LEADERSHIP COUNCIL OF VETERANS
SERVICES ORGANIZATIONS (JLC)
December 20, 2017

The Board of Veterans Services (BVS) has met once since the last JLC meeting, on November 16, 2017. The meeting took place at the Petersburg Freedom Support Center in downtown Petersburg, Virginia where both DVS Benefits and VVFS staff have office space to meet with veterans.

At the meeting, we welcomed our five new board members: Victor Angry, Carl Bedell, Lyla Kohistany, Frank Reyes and Julie Waters. They are all excited to be on the board and ready to hit the ground running!

We also welcomed the new JLC Chairman, Marie Juliano to our meeting and look forward to our continued partnership with the JLC in 2018.

Due to the departure of Vice Chair Johnny Johnson from our Board, we held an election for a new Vice Chair and Michael Dick won. I know he will do a fine job as BVS Vice Chair.

Our Veteran Entrepreneurship Working Group, chaired by Mr. Nick Kesler, presented their final report and recommendations for veteran entrepreneurship in Virginia moving forward. The Board unanimously approved the report and voted unanimously to formally present the recommendations to Commissioner Newby. A copy of that letter is included with this report.

BVS will be advocating for two new positions for DVS. Those position papers are included in this report.

The BVS is made up of fourteen citizen members, five legislators, and three *ex officio* members. Board members are in regular contact with the Department of Veterans Services to provide policy input on key operational issues.

Respectfully submitted,

Jim Icenhour
Chairman

November 16, 2017

Commissioner John L. Newby, II
Virginia Department of Veterans Services
101 N. 14th St., 17th Floor
Richmond, VA 23219

Dear Commissioner Newby:

The Veteran Entrepreneurship Working Group, led by Chairman Nick Kesler, conducted an analysis of potential recommendations based on an assessment of the research and analysis conducted during Phases I-III. The Working Group then outlines potential recommendations below that addressed key aspects of developing a robust and sustainable entrepreneurial program to support Virginia's veteran entrepreneurs and the growth of Virginia's regional entrepreneurial ecosystems, and based on the support and unanimous vote of the full Board of Veterans Services at their November 16, 2017 meeting, I submit the following recommendations for the consideration.

The working group concluded that there is a need for a phased-in approach to the Veterans Entrepreneurship Program, with a VEP Director to lay the ground work and then lead coordination of developing partnerships and directing veteran entrepreneurs to resources. Through outreach and gathering data, the VEP Director will identify needs and gaps within the regional entrepreneurial ecosystems and develop action plans to support programs, policies, and where necessary, future legislation, including funding. The working group feels legislation should not be needed since all the pieces are in place.

RECOMMENDATIONS:

1. Create a Veterans Entrepreneurship Program (VEP) within the Department of Veterans Services under the strategic guidance of the Veterans Education, Transition, and Employment (VETE) to support outreach and coordination with various elements of Virginia's regional entrepreneurial ecosystems. This program should be funded with one (1) full-time employee who serves as the VEP Director.
2. The VEP Director should conduct research and outreach to propose the creation of a public-private partnership to support a Veteran Entrepreneur Mentorship Program (VEMP), to be coordinated by the VEP Director. As part of VTAP, transitioning military members identified in DOL/DOD TAP as interested in entrepreneurship and domiciled in Virginia upon transition should be matriculated into VEMP.
3. As access to capital is a major component of successfully starting a business, the VEP Director should conduct research and outreach to propose the creation of a public-private partnership to provide accredited channels for funding veteran-owned businesses.
4. The VEP Director should conduct a longitudinal study of veteran entrepreneurs and their associated businesses to identify both leading

practices and needs/gaps associated with various elements of the regional entrepreneurial ecosystems.

5. Based on the longitudinal study, the VEP Director should identify and propose refinements to the VEP, particularly focused on developing action plans to expand leading practice programs and address needs/gaps associated with the various elements of the regional entrepreneurial ecosystems.

Respectfully,

A handwritten signature in dark ink, reading "James O. Icenhour Jr". The signature is written in a cursive, slightly slanted style.

James O. Icenhour, Jr.
Chairman

Director of Veteran Entrepreneurship

OBJECTIVE: To establish a dedicated program within the Department of Veterans Services (DVS) to assist Virginia veteran entrepreneurs.

BACKGROUND:

1. Entrepreneurship is the “third leg of the stool,” and a key part of implementing the Secretary’s and Governor’s vision for DVS 2.0 and Virginia veterans participating in the New Virginia Economy.
2. The Board of Veterans Services’ Veteran Entrepreneurship Work Group has been diligently researching this issue for a year. They worked with universities and held a public forum on entrepreneurship at George Mason University.
3. Their conclusion is there is not a lack of resources, but the lack of strategic coordination between various elements of the entrepreneurial ecosystems to cultivate and support successful veteran-owned businesses. The key is addressing entrepreneurial ecosystem development and increasing access to professional business mentorship and trained staff to connect veterans to those educational and financial resources.
4. It is their recommendation that DVS create positions within VETE to connect veterans to the programs and opportunities already in place through state, federal, nonprofit and other organizations.

DISCUSSION:

1. The recommendation is for 1 position: A Director of Veteran Entrepreneurship,
 - a. building strategic partnerships with state, federal, nonprofit and other organizations and agencies working with, or providing resources to, veterans.
 - b. cross-collaboration and referrals with sister DVS programs, especially VTAP, to build a solid internal and external structure increasing opportunities and resources for veterans to pursue entrepreneurship in Virginia and create successful, sustainable businesses,
 - c. designing and facilitating workshops, roundtables and forums, and
 - d. collecting relevant data, maintaining a resource database.
2. Director will also guide individual veterans through an assessment process, and then connect veterans to strategic partners for the educational, financial and networking services that they need.
3. This position will be akin to the Director of Housing Development (Matt Leslie) in pulling together resources to create focused attention for veterans.

RECOMMENDATION:

That the Governor and General Assembly provide 1 FTE and budget support, in the amount of \$119,871 in FY19 and in FY20 for a Director of Veteran Entrepreneurship.

Women Veterans Program – Program Manager & Annual Conference

OBJECTIVE: To establish a dedicated program within the Department of Veterans Services (DVS) to assist Virginia's women veterans.

BACKGROUND:

5. Over 100,000, or 14%, of Virginia's veterans are women. And the numbers are expected to grow.
6. Women veterans have unique needs and challenges and often approach their veteran status differently than their male counterparts.
7. Several states are moving to a model with dedicated staff or programs for their women veterans to better assist them with the particular issues they face.
8. The Board of Veterans Services' Women Veterans Work Group diligently researched this issue for six months and quickly reached their conclusion.
9. It is their recommendation that DVS create a Women Veterans Program Manager position within VETE, who will also oversee the annual Virginia Women Veterans Summit.

DISCUSSION:

1. The purpose of this position is to have one manager creating and overseeing a program specifically tailored to the needs of the growing women veteran population in Virginia.
2. This position will be instrumental in:
 - e. building strategic partnerships with other organizations and agencies at the state and federal levels working with women veterans—including cross-collaboration and referrals with sister DVS programs to build a solid internal and external structure increasing opportunities and resources for women veterans in Virginia, designing and facilitating workshops, roundtables and forums,
 - f. collecting relevant data, maintaining a resource database, and
 - g. coordinating the annual Virginia Women Veteran Summit.
3. This year the conference grew exponentially, with 450 registered participants and a wait list of 115 women! Funding is needed to continue the high-quality annual event Virginia women veterans have come to expect.

RECOMMENDATION:

That the Governor and General Assembly provide budget support, in the amount of \$224,000 in FY19 and in FY20, to establish a Women Veterans Program, to include a program coordinator and dedicated funds for the annual women's conference.

ATTACHMENT 3

VIRGINIA VETERANS SERVICES FOUNDATION REPORT TO THE JOINT LEADERSHIP COUNCIL OF VETERANS SERVICE ORGANIZATIONS DECEMBER 20, 2017

The Veterans Services Foundation (VSF) Board of Trustees has held one meeting since the last Joint Leadership Council of Veterans Service Organizations (JLC) meeting on September 6, 2017. The VSF Board of Trustees met on November 9, 2017, at the American Legion Department Headquarters.

VVSF welcomed two new members to the Board at the November 9, 2017 meeting. Carlos Hopkins, the new Secretary of Veterans and Defense Affairs of the Commonwealth of Virginia and Marie Juliano, the newly elected Chairperson of the Joint Leadership Council (JLC). Both Secretary Hopkins and Marie Juliano will be valuable assets to the VSF Board.

Matt Leslie, Director of DVS Housing Development provided an informative report on the Homeless Veteran Fund. The Homeless Veteran Fund was started as new a pilot program in FY17. The immediate success of the program has resulted in a substantial increase in spending. During his presentation, Mr. Leslie provided detailed financial information requested by the trustees and an increase in spending for the Homeless Veteran Fund was approved. Annie Walker, Director of DVS Veterans Education Transition & Employment (VETE) gave a report on the Women Veterans Summit. Deputy Commissioner Combs discussed the DVS FY18 Projected Requirements and the Potential Donation Opportunities Initiative for the New Care Centers. After a lengthy discussion on the needs of DVS and how VVSF can sustain the funding, the trustees thought it would be beneficial to develop a comprehensive fundraising plan that involved the coordination and cooperation of both agencies. Meetings to discuss the potential plans between DVS and VVSF are currently being arranged. The trustees welcomed the information provided by Matt Leslie, Annie Walker and the Deputy Commissioner and appreciated the time and work they devote to each of the DVS programs supported by VVSF.

The first quarter report was approved by the trustees. As of September 30, 2017 VVSF had received donations totaling \$104,378.77. Overall individual donations are down. However, a recent donation of \$68,000.00 from Smithfield Foods and the donation from the Dominion Energy Charity Classic that was held October 19-22, 2017 will help substantially in FY18.

The next VSF Board meeting is scheduled for March 29, 2018.

Respectfully submitted,
Rich Schollmann
Chairman
Virginia Veterans Services Foundation

ATTACHMENT 4

OFFICE OF VETERANS AND DEFENSE AFFAIRS

THE HONORABLE CARLOS HOPKINS, SECRETARY OF VETERANS AND DEFENSE AFFAIRS



The Secretary of Veterans and Defense Affairs has two important missions. The Secretariat identifies and manages issues and opportunities in the Commonwealth of Virginia for veterans, members of the US Armed Forces, and their families. Of primary importance are their workforce development, health care, and educational needs. As Virginia is home to the Nation's largest percentage of veterans under the age of 25, the largest percentage of women veterans, and the highest veteran participation rate in the labor force, the Secretariat maintains a particular focus of leveraging the leadership skills and abilities of these individuals and finding and leading our newest generation of veterans on the path to employability.

The Secretariat also leads the Governor's initiatives focused on relationship-building with and support of our military and defense installations and the communities surrounding them. The Secretariat engages in supporting and strengthening the military and national defense missions in the Commonwealth through active community involvement and the Governor's Virginia Military Advisory Council, of which the Secretary chairs.

OFFICE OF VETERANS AND DEFENSE AFFAIRS INCLUDES:

Secretary of Veterans and Defense Affairs

Department of Veterans Services

OPERATING SUMMARY FOR THE OFFICE OF VETERANS AND DEFENSE AFFAIRS (Dollars in Millions)

Funds	FY 2019 Base Budget	FY 2019 Changes	FY 2019 Total	FY 2020 Base Budget	FY 2020 Changes	FY 2020 Total
General	\$21.1	\$1.0	\$22.2	\$21.1	\$1.7	\$22.8
Special	\$34.2	\$0.2	\$34.3	\$34.2	\$12.1	\$46.3
Dedicated Special	\$0.8	\$0.8	\$1.6	\$0.8	\$0.8	\$1.6
Federal	\$26.2	\$3.5	\$29.7	\$26.2	\$4.3	\$30.5
	\$82.2	\$5.5	\$87.8	\$82.2	\$18.9	\$101.2

AUTHORIZED POSITIONS FOR THE OFFICE OF VETERANS AND DEFENSE AFFAIRS

Funds	FY 2019 Base Budget	FY 2019 Changes	FY 2019 Total	FY 2020 Base Budget	FY 2020 Changes	FY 2020 Total
General Fund	206.00	10.00	216.00	206.00	10.00	216.00
Nongeneral Fund	602.00	25.00	627.00	602.00	25.00	627.00
	808.00	35.00	843.00	808.00	35.00	843.00

Department of Veterans Services

Operating Budget Summary				Authorized Position Summary		
	General Fund	Nongeneral Fund	Personnel Cost	General Fund	Nongeneral Fund	Total Positions
2015 Appropriation	\$11,073,397	\$47,143,168	\$40,157,081	113.00	563.00	676.00
2016 Appropriation	\$14,088,521	\$47,106,978	\$41,764,332	124.00	563.00	687.00
2017 Appropriation	\$16,964,655	\$60,670,731	\$48,640,284	161.00	600.00	761.00
2018 Appropriation	\$19,700,803	\$60,741,624	\$51,180,621	201.00	600.00	801.00
2019 Base Budget	\$19,700,803	\$60,741,624	\$51,148,284	201.00	600.00	801.00
2019 Intro Changes	\$887,502	\$3,681,321	\$3,246,815	10.00	25.00	35.00
2019 Total	\$20,588,305	\$64,422,945	\$54,395,099	211.00	625.00	836.00
2020 Base Budget	\$19,700,803	\$60,741,624	\$51,148,284	201.00	600.00	801.00
2020 Intro Changes	\$1,498,900	\$16,478,428	\$15,177,736	10.00	25.00	35.00
2020 Total	\$21,199,703	\$77,220,052	\$66,326,020	211.00	625.00	836.00

Capital Outlay Budget Summary				
	General Fund	Nongeneral Fund	Bond Proceeds	Capital Outlay Total
2019 Base Budget	\$0	\$0	\$0	\$0
2019 Intro Changes	\$0	\$4,500,000	\$0	\$4,500,000
2019 Total	\$0	\$4,500,000	\$0	\$4,500,000
2020 Base Budget	\$0	\$0	\$0	\$0
2020 Intro Changes	\$0	\$0	\$0	\$0
2020 Total	\$0	\$0	\$0	\$0

Part B: Executive Biennial Budget - 2018-2020 Biennium

Open new benefits services offices		2019	2020
Provides funding and positions to open new veterans benefits offices in Virginia Beach and Ft. Belvoir in Fairfax County.			
General Fund		\$171,438	\$370,142
Authorized Positions		4.00	5.00
Establish entrepreneurship position		2019	2020
Provides funding for a position dedicated to help veterans develop the skills and identify the resources they need to become successful business owners.			
General Fund		\$62,000	\$124,000
Authorized Positions		1.00	1.00
Establish program for women veterans		2019	2020
Provides funding for one position dedicated to developing programs and services for women veterans.			
General Fund		\$50,697	\$101,391
Authorized Positions		1.00	1.00

Consolidate appropriations for administration of veterans benefits services

Transfers funding for the certification of higher education programs for eligibility for GI bill funding to the budget program that is generally used for administration of veterans benefits.

Capital Outlay Budget Changes

Introduced Budget Non-Technical Changes

Expand Amelia Veterans Cemetery		2019	2020
Provides funding for the expansion of the Amelia Veterans Cemetery. The project costs will be ultimately be reimbursed by the federal government. Also included is language directing the Director, Department of Planning and Budget, to approve a Treasury loan for \$1.0 million to provide the funding for the planning costs in advance and to assist with the agency's cash flow during construction.			
Nongeneral Fund		\$4,500,000	\$0

Service Line	Program	Goal	Language	Patrons	Reasoning
VETE	MMAC	Make MMAC a permanent program and updates language based on 1st year of administering the program.	strike "pilot" from current code section; add "Chief Medical Officer or their designee" to list of supervisory positions (after physician and podiatrist)	Del. Stolle	The program is going well and with the start of the new biennial budget it makes strategic sense to make it a permanent program. This will give our Partner Health Systems (PHS) more flexibility with supervision, while still maintaining proper medical supervision and chain of command
N/A	Surviving Spouses Real Property Tax Exemption (58.1-3219.9)	Exempt this section from APA regulations like 58.1-3219.5	add ", and 58.1-3219.11" to 2.2-4004A.25	Sen. Edwards	.5 is exempted, however, Del. Ramadan did not exempt this section when it was added. Both halves should be exempted.
N/A	100% Disabled Veterans Real Property Tax Exemption (58.1-3219.5)	Update language and remove potential unforeseen costs to spouses/families	strike "or deferral" from E. 2.	Sen. Wexton	Because a COR can defer the taxes instead of exempting them, it could result in huge fees for a surviving spouse or family members upon the veteran's death. (similar to a reverse mortgage)

	Other Budgetary Items		
	George Mason University	\$400,000 in FY19 and \$400,000 in FY20	to develop a pathway program to attract and train veterans for cyber security careers.
	College of William & Mary	\$160,050 and 1 FTE in FY19 and \$287,850 and 2 FTE in FY20	to develop a specialization in military and veterans counseling within the existing clinical mental health counseling degree program and a post-graduate certificate in veterans counseling.
	College of William & Mary	\$245,000 in FY19 and \$245,000 in FY20	Support for the Puller Veterans Benefits Clinic

ATTACHMENT 5
Position Paper 2018-03
Veteran Entrepreneur Capital Resources Program (VECRP)

OBJECTIVE: To establish a dedicated source of funding through a Veteran Entrepreneur Capital Resources Program (VECRP), available solely to Virginia veteran entrepreneurs establishing business ventures based in Virginia.

BACKGROUND:

- Entrepreneurship is the “third leg of the stool,” (along with education and employment) and a key for veterans to participate in the New Virginia Economy.
- The Board of Veterans Services’ Veteran Entrepreneurship Work Group diligently researched this issue for a year. The Governor also convened an Executive Committee, led by Sec. Harvey to study the issue of veteran entrepreneurship.
- Current programs, such as the U.S. Small Business Administration’s (SBA) Boots to Business program, Bunker Labs, Capital Post, and the Arsenal are focused on training and mentorship.
- SBA-backed loans for veterans can be difficult for first time entrepreneurs to secure since banks are often unwilling to give small business loans to veterans with no commercial track record of business success.
- The Virginia Small Business Financing Authority (VSBFA) is Virginia’s business and economic development financing arm, within the Department of Small Business and Supplier Diversity (VSBSD), that provides financing for small businesses and economic growth in Virginia.

DISCUSSION:

- SBSD provides capital assistance through microloan programs, and the agency is interested in starting a microloan program specifically for Virginia veteran entrepreneurs of any era, either new start-ups or existing small businesses, as long as the owner and business are both in Virginia.
- VECRP would help place Veteran entrepreneurs on a more equal footing with civilian entrepreneurs. The amount of the loans would be subject to the number of applicants and funds available, with a probable max amount of \$25,000.
- Veterans would be given competitive, below-market interest rates, but be subject to all federal and state banking and lending laws and the policies and regulations SBSD has for its’ microloan programs. Loans would be repaid in 48 months.
- VECRP would be administered by the VSBFA, with DVS assisting in verifying veteran status, promoting the microloan program and sending potential veteran entrepreneurs to the VECRP.
- To give SBSD enough time hire a FTE to administer the program and set it up correctly, we request an enactment date of January 1, 2019.

RECOMMENDATION:

That the Governor and General Assembly enact legislation to establish a Veteran Entrepreneur Capital Resources Program, and provide budget support in the amount of \$1,000,000 in FY19 and in FY20 for the microloan fund and 1 FTE to administer the program, beginning January 1, 2019.

Position Paper 2018-08
Phased-in System for Partial State Tax Exemption for Military Retirement Income

OBJECTIVE: To reform the Virginia state tax law, creating a phased in system to exempt a portion of military retirement income beginning in 2019.

BACKGROUND:

- Currently Virginia does not exempt military retirement income, while three of Virginia's neighbors (NC, WV, MD) have some level of state tax exemption on military retirement income.
- The personal income tax laws of over half the states provides various exclusions from gross income in determining tax liability, including an exclusion for combat-related special compensation and death benefit payments received by a surviving spouse or other beneficiary designated by a military veteran.

DISCUSSION:

- The qualifying retirement income must be received as a result of an honorable discharge and retirement from full-time, active-duty service in the armed forces of the United States, or reserve components thereof, including the National Guard.
- For each taxable year beginning on or after January 1, 2019 gross income shall not include a percentage of qualified military retirement income received by qualified taxpayers. The phased in system would:
 - a. Beginning in 2019: A military retiree, or their spouse, may subtract 25% of their military retirement income from federally adjusted gross income before determining Virginia tax.
 - b. Beginning in 2021: A military retiree, or their spouse, may subtract 50% of their military retirement income from federally adjusted gross income before determining Virginia tax.
 - c. Beginning in 2023: A military retiree, or their spouse, may subtract 75% of their military retirement income from federally adjusted gross income before determining Virginia tax.
 - d. Beginning in 2025: A military retiree, or their spouse, may subtract 100% of their military retirement income from federally adjusted gross income before determining Virginia tax.
- Non-military income, including all income derived from federal or military contracts, consulting or full-time employment will be taxed at the full gross income percentages.

RECOMMENDATION: That the Governor and General Assembly support changes to the current Virginia tax laws for a phased in system to eventually eliminate state tax on military retirement income.

SUPPORT ARTICLES SUBMITTED BY MR. BILL ASHTON:

MORE THAN HALF OF ALL STATES NOW DON'T TAX MILITARY RETIRED PAY

20 Oct 2017 By Jim Absher

<https://www.military.com/militaryadvantage/2017/10/more-than-half-of-all-states-now-dont-tax-military-retirement>

West Virginia will soon be joining the growing list of states that don't tax retired military pay, pushing the number of states on that list to 27. Currently, half of all U.S. states do not tax military retirement pay. Earlier this year, Arkansas passed a law ending their tax in 2018, and the West Virginia legislature just passed a measure, which was requested by the governor, this week. It is expected to become law soon.

Previously in West Virginia up to \$20,000 of military retirement income wasn't taxed at the state level. Fifteen states plus DC have some type of exemption for military retirees. After West Virginia and Arkansas end their taxation, only the following states will fully tax retiree income:

- California
- Georgia
- Montana
- New Mexico
- North Dakota
- Rhode Island
- Utah
- Vermont
- Virginia

STATES THAT EXEMPT MILITARY RETIRED PAY GROWING IN NUMBER

Many state legislatures have passed laws exempting military retirees from state taxes in recent years. While some state's lawmakers argue for retirement pay exemption, since military retirees bring skills and earning potential to their states, others aren't so ready to give up the millions of dollars in tax revenue to bring a few more residents in. The lost revenue must be made up in other ways, leaving some states struggling to make ends meet. However, for states seeking residents with above-average earnings, the 2.1 million military retirees are a prized group. Most are in their prime earning years, and come with skills and earning potential. Military retirees are some of the best educated, youngest, and best trained retirees that states are seeking as future residents. Locales which can lure them into becoming residents stand to gain additional income from property taxes, sales taxes, and the taxable income these retirees will earn in their second careers.

NO CLEAR-CUT BENEFIT FOR STATES

The many studies on the economic benefits of cutting state taxes to lure retirees have produced conflicting results. States really can point to no clear-cut benefit for eliminating income tax on retirees. Often, the projected influx of veterans doesn't happen. Exempting military retirement from income taxes usually benefits current residents the most. Most potential residents choose their retirement location for other reasons including quality-of-life, earning potential, or family issues. However as a current, or

future, military retiree who doesn't mind relocating it may serve you well to take the state tax climate into consideration when you consider your second career and military retirement plans.

<https://www.military.com/benefits/military-pay/state-retirement-income-tax.html>

STATES WITHOUT PERSONAL INCOME TAX

Alaska, Florida, Nevada, South Dakota, Texas, Washington and Wyoming do not have a personal income tax.

Two others, New Hampshire and Tennessee, tax only dividend and interest income.

STATES WHICH DO NOT TAX MILITARY RETIREMENT PAY

The following states do not tax retired military pay.

Alabama	Iowa	Minnesota	Pennsylvania
Arkansas (effective 2018)	Kansas	Mississippi	West Virginia (effective 2018)
Connecticut	Louisiana	New Jersey	Wisconsin
Hawaii	Maine	New York	
Illinois	Massachusetts	Ohio	

STATES WITH SPECIAL MILITARY RETIREMENT PAY EXEMPTIONS

The following states have special provisions for military or public pensions:

Arizona ¹	Indiana ⁷	North Carolina ¹³
Arkansas ²	Kentucky ⁸	Oklahoma ¹⁴
Colorado ³	Maryland ⁹	Oregon ¹⁵
Delaware ⁴	Michigan ¹⁰	South Carolina ¹⁶
District of Columbia ⁵	Missouri ¹¹	West Virginia ¹⁷
Idaho ⁶	Nebraska ¹²	

¹The first \$2,500 of military retirement pay is exempted.

²The first \$6,000 of military retirement pay is exempted, in 2018 all military retirement is tax-free.

³Military retirees ages 55 - 64 can exclude up to \$20,000 in any one taxable year from their retirement pay, those 65 and over can exclude up to \$24,000.

⁴Up to \$2,000 of military retirement excluded for individuals under age 60; \$12,500 if 60 or older.

⁵Up to \$3,000 of military pay excluded for individuals 62 or older.

⁶Only if the retiree is over age 65, or over age 62 and disabled

⁷Servicemember or surviving spouse (if 60 on the last day of the tax year) is entitled to a deduction of up to \$5,000 of military retirement or survivor benefits. If you received both military and retirement pay or survivor benefits in the same tax year, you cannot exclude more than \$5,000.

⁸Partially exempt if retired after December 31, 1997; exempt if retired before January 1, 1998

⁹Military retirees are exempt from income tax on the first \$5,000, with an increase to the first \$10,000

(once they become over the age of 65), of their retirement income.

¹⁰Military retirement benefits in Michigan *may* be tax-free depending on your age, filing status, other pensions, and income from other sources.

¹¹Married couples with Missouri adjusted gross income less than \$100,000 and single individuals with Missouri adjusted gross income less than \$85,000, may deduct the greater of \$6,000 or 100 percent of their public retirement benefits, to the extent the amounts are included in their federal adjusted gross income.

¹²Special rules see our [Nebraska State Benefits Page](#).

¹³Only if you had at least 5 years active duty before August 12, 1989

¹⁴The greater of 75% of your retirement pay or \$10,000

¹⁵If you had military service before October 1, 1991 you may be able to deduct a portion of your retirement pay. If you didn't have military or federal service prior to October 1, 1991, your military retirement is taxed normally.

¹⁶An individual taxpayer who has military retirement income, may deduct an amount from his South Carolina taxable income equal to the amount of military retirement income that is included in his South Carolina taxable income. The deductions are phased in over five years beginning in 2016.

¹⁷First \$2,000 is exempt, plus an additional exclusion total whose formula is years of military service multiplied by 2 percent, multiplied by military pension; or \$20,000, whichever is less. In 2018 all military retirement is tax-free.

Some States exempt all or a portion of retired pay from income taxation. In all States, disability payments received from VA and all Social Security payments are exempt from taxation.

State income tax, where applicable, is not withheld from retired pay unless a state has entered into an agreement with the Department of Defense to permit finance centers to withhold state income tax. Retirees who do not currently have state tax withheld from retired pay may request it from DFAS by a letter over their signature and social security number. The letter must state the amount of tax to be withheld and the state to which it will be paid.

You can contact DFAS at:

Defense Finance and Accounting Service
US Military Retirement Pay
8899 E 56 St
Indianapolis, IN 46249-1200
Toll Free: 800-321-1080

ATTACHMENT 6

JLC 2018 Work Plan

2018 General Assembly (January 10 – March 10):

Due to the GAB moving to Pocahontas building there will be NO JLC DAY in 2018. Carrie Ann will help JLC members make appointments with individual legislators. The GAMVC will continue to meet and JLC members are HIGHLY encouraged to attend caucus meetings and then meet individually with legislators after.

Advocate for 2018 JLC Initiatives

Promote role of JLC

Goal: every JLC Members meets with 2 Senators; 2 Delegates

May 2 Meeting:

Review 2018 General Assembly actions, including: legislation, budget and Veto Session

Conduct an initial review of the current status of 2018 JLC initiatives not enacted

Initial discussion of potential 2019 JLC Initiatives

Report of the Constitution and By-Laws Review Committee (annual review)

Candidates for Chair and Vice Chair declare their intention to run

May 3 – June 25

JLC members submit potential Initiatives, with draft papers preferably in JLC format.

JLC Chairman & Legislative Committee review proposals submitted to date and passes to DVS Policy Director for review.

Legislative Committee and DVS provides feedback/guidance to drafters.

June 25:

JLC Chairman distributes potential 2019 JLC Initiatives to members for review.

JLC members share potential 2019 JLC Initiatives with their VSO leadership and membership to solicit feedback, comments, additional ideas, etc.

July 15:

JLC members submit any additional potential 2019 JLC Initiatives – or concepts for initiatives based on state/national conferences, with a projected date of completion.

July 25 Meeting:

Sponsors of each potential 2019 JLC Initiative present to JLC. Each initiative is voted on to continue forward or rejected for 2019.

Position papers without a sponsor will be presented by the Legislative Committee chair and sponsors for each proposed legislative initiative will be appointed or confirmed at the meeting
Elect JLC Chair and Vice Chair

July 26 – Sept. 17:

Position papers distributed to JLC members for distribution to their VSO leadership and others in their VSO to solicit feedback, comment, additional ideas, etc.

JLC Legislative Officer reviews and approves position papers.

JLC Chairman reviews and approves positions papers.

September 17:

All approved draft positions papers forwarded to JLC Members for final review.

October 17 Meeting:

Review all proposed 2019 JLC Initiatives

Adopt and prioritize 2019 JLC Initiatives

NLT October 21:

Adopted Position papers distributed to JLC members for distribution to their VSO leadership.

Adopted Position papers sent to Secretary of Veterans and Defense Affairs and Governor.

Post position papers on JLC website

November & December:

JLC members inform JLC chair of willingness to serve as an Appointed Officer (approved by the Council at the December meeting)

Hold VSO legislative forums; Participate in legislators' forums/town halls

Sponsors find and confirm patrons/co-patrons for initiatives, and meet with Executive and Legislative branch members

December 19 Meeting:

Could be rescheduled depending on the release date of the Governor's introduced budget

Review Governor's Proposed Budget

Receive DVS Agency proposed budget & legislation

Review and approve any additional 2019 Initiatives that were not voted on in October

Review list of approved General Assembly Patrons

Adopt 2019 Meeting Schedule

Adopt 2019 Work Plan

Approve JLC Appointed Officers for 2018-2019

ATTACHMENT 7

JLC ELECTED OFFICERS: 2018-2019

- Chairman: Marie G. Juliano
- Vice Chairman: Frank G. Wickersham, III

JLC APPOINTED OFFICERS: 2018-2019

- Legislative Officer: David K. Sitler
 - Assistant Legislative Officer: Robert A. Sempek
- Chaplain: L.T. Whitmore
- Constitution & By-Laws Committee:
 - Chairman: Richard Mansfield
 - Members: Perry Taylor and Adam Provost
- Nominating Committee:
 - Chairman: Dan Boyer
 - Members: John Clickener, Jon Ostrowski
- JLC Representative to the Virginia Military Advisory Council (VMAC):
 - Primary: William Barrett, Jr.
 - Alternate: Jim Cuthbertson
- JLC Representative to Board of Veteran Services (BVS)
 - Primary: Marie G. Juliano
 - Alternate: Rick Oertel
- JLC Representative to Veterans Services Foundation (VSF)
 - Primary: Marie G. Juliano
 - Alternate: William B. Ashton
- JLC Representative to the Virginia War Memorial Board
 - Primary: Frank Wickersham

- Alternate: Robert Huffman
- JLC Representative to the Hampton Drug Court Veterans Tract Advisory Council
 - Primary: Rick Mansfield
 - Alternate: John Cooper, Bart Barton
- JLC Representative Fairfax Veteran Treatment Docket
 - Primary: Lauren Augustine
 - Alternate: Dan Dennison
- JLC Point of Contact with the State Board of Elections
 - Frank Wickersham

ATTACHMENT 8

SENATE BILL NO. _____ HOUSE BILL NO. _____

A BILL to authorize the issuance of special license plates for supporters of Virginia women veterans bearing the legend I SUPPORT WOMEN VETERANS; fees.

Be it enacted by the General Assembly of Virginia:

1. § 1. Special license plates for supporters of Virginia women veterans bearing the legend I SUPPORT WOMEN VETERANS; fees.

A. On receipt of an application and payment of the fee prescribed by this section, and following the provisions of § 46.2-725 of the Code of Virginia other than those relating to the fee for the plates and its disposition, the Commissioner of the Department of Motor Vehicles shall issue to the applicant special license plates for supporters of Virginia women veterans bearing the legend I SUPPORT WOMEN VETERANS.

B. The annual fee for plates issued pursuant to this section shall be \$25 in addition to the prescribed fee for state license plates. For each such \$25 fee collected in excess of 1,000 registrations pursuant to this section, \$15 shall be paid into the state treasury and credited to a special nonreverting fund known as the Virginia Women Veterans Fund established within the Department of Accounts. These funds shall be paid annually to the Virginia Department of Veterans Services and used to support its operation and programs in Virginia. All other fees imposed under the provisions of this section shall be paid to, and received by, the Commissioner of the Department of Motor Vehicles and paid by him into the state treasury and set aside as a special fund to be used to meet the necessary expenses incurred by the Department of Motor Vehicles.